

FOSTER'S GROUP LIMITED

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For your information as released to  
The Australian Stock Exchange.



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With Compliments

*Foster's Brewing*

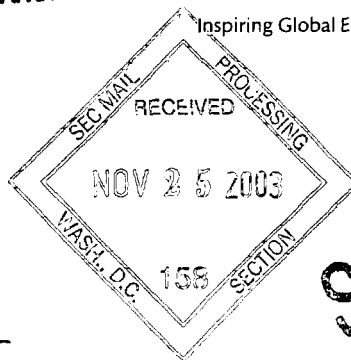
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6 November, 2003

## **Foster's Announces Off-Market Share Buy-Back**

Foster's Group Limited (Foster's) today announced an off-market Buy-Back tender ("the Buy-Back") of between \$700 million and \$900 million, approximately 6.5% to 8.5% of Foster's issued capital, subject to the Buy-Back Price.

This major capital management initiative follows the recent conversion of 89.3% of the company's US\$400 million convertible bond issue and the receipt of approximately \$1.35 billion in net proceeds from the initial public offering ("IPO") of Australian Leisure & Hospitality ("ALH") and Australian Leisure and Entertainment Property Group ("ALE").

These two events, combined with the strong underlying cash generation of the group, have resulted in a level of capital that exceeds the group's current requirements.

The Board considers that a Buy-Back is a responsible and efficient way to return funds to shareholders and manage the company's capital structure while increasing earnings per share. The planned off-market Buy-Back, combined with the on-market buy-back announced on 1 October 2003, will enable the company to repurchase approximately 204.9 million shares, representing up to 10% of the lowest number of shares on issue in the past 12 months.

The Buy-Back is open to all Foster's shareholders registered as at Monday, 17 November 2003 and participation is optional. Under the tender process, all shareholders eligible to participate in the Buy-Back will be able to tender all or some of their shares at specified prices in the range \$4.00 to \$4.90 or as a Final Price Tender, being the price within the range that is determined by the company as the Buy-Back Price.

The top of the range represents approximately a 7.2% premium and the bottom of the range a 12.5% discount to the closing price of Foster's shares on Wednesday, 5 November 2003. The Buy-Back Price will be the lowest price in the range that enables Foster's to repurchase the number of shares it determines to buy-back. Only shares tendered at or below the Buy-Back Price and Final Price Tenders will be bought back at the Buy-Back Price, subject to any required scaleback. All shareholders whose Tenders are successful will receive the same Buy-Back Price.

If the total number of Shares tendered at or below the Buy-Back Price (including under Final Price Tenders) is greater than the number of Shares which Foster's wants to buy back, Foster's will scale back Tenders.

The scale back mechanism will not apply to a Shareholder who tenders all of their Shares at or below the Buy-Back Price or as a Final Price Tender, and who has a Small Holding (500 or fewer Shares) as a result of the scale back.

No brokerage is payable by shareholders who choose to participate in the Buy-Back.

While Foster's intends to repurchase between \$700 to \$900 million worth of shares (approximately 6.5% to 8.5% of issued capital subject to the Buy-Back Price), it may choose to buy back a lower value of shares or no shares at all depending on the Tenders lodged by shareholders, prevailing market conditions and having regard to the interests of all shareholders, including those who choose not to participate in the Buy-Back.

Participation in the Buy-Back is optional and shareholders are advised to obtain their own financial, taxation and other professional advice on the implications of participating in the Buy-Back for their particular circumstances. For shareholders who successfully tender their shares, the Buy-Back Price will comprise a capital component of \$1.81 per share with the balance being a fully franked dividend.

The on-market Buy-Back programme announced by the company on 1 October 2003 of up to 40 million shares has been suspended until after the completion of the off-market share Buy-Back. As at 5 November 2003, 14.7 million shares had been repurchased at an average price of \$4.52 per share.

The timetable for the Buy-Back is outlined below. The full terms and conditions of the Buy-Back will be contained in a Buy-Back Tender booklet which will be posted along with a personalised tender form to all shareholders between 20-23 November 2003. A copy of the Buy-Back Booklet will be available on the Foster's website [www.fostersgroup.com](http://www.fostersgroup.com) from about 20 November 2003.

Foster's President and CEO, Ted Kunkel said: "The Buy-Back reinforces the group's commitment to return excess funds to shareholders in the absence of a strategically aligned, value-accretive investment opportunity. On completion of the current Buy-Back activities, Foster's will remain conservatively geared at an estimated net debt to book equity level of 35%. As such, Foster's will have the capacity to consider additional capital management activities in the absence of an appropriate investment opportunity, and dependent on market conditions."

#### **Buy-Back Timetable**

<b>Event</b>	<b>Date</b>
Determination of Shareholders eligible to participate in the Buy-Back*	Monday, 17 November 2003
Mailing of Buy-Back booklet to Shareholders commences	Thursday, 20 November 2003
Mailing of Buy-Back booklet to Shareholders completed	Sunday, 23 November 2003
Tender Period opens	Tuesday, 25 November 2003
Tender Period closes. Tenders must be received by the Registry no later than 5pm Melbourne time	Friday, 19 December 2003
Announcement of the Buy-Back Price and the number of Shares bought back	No later than Tuesday, 23 December 2003
Dispatch of cheques and direct crediting of bank accounts for Buy-Back proceeds to participating Shareholders	No later than Tuesday, 6 January 2004

\*Eligible Foster's Shareholders are those Shareholders appearing on the Foster's register of members at 5pm AEST on 17 November 2003. Accordingly, the last day on which an investor could buy Foster's shares in the normal course of trading and settlement on CHESS, in order to appear on the register, is Monday, 10 November 2003.

Foster's has appointed Goldman Sachs JB Were as financial adviser on the Buy-Back.

For further information on the Buy-Back, Shareholders can call the Foster's Buy-Back inquiry line on 1300 134 708 (within Australia) or +613 9649 5022 (outside Australia) or visit the Foster's website at [www.fostersgroup.com](http://www.fostersgroup.com)

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For further information contact:

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**Important Note**

Due to the operation of the '45 day rule' and 'related payments rule' (as legislated under Australian tax law), Shareholders who participate in the Buy-Back and who acquire their Foster's shares on or after 6 November 2003 may not be entitled to the franking credits and tax offsets they otherwise would receive in relation to the franked dividend component of the Buy-Back Price. This is on the basis that it is currently expected that the Buy-Back Price and any scale back will be determined on 21 December 2003 and, as a result, a Shareholder who acquires Foster's shares on or after 6 November, 2003 and subsequently sells these shares in the Buy-Back will not have held those shares 'at risk' for 45 days or more (excluding the date of acquisition and the date of disposal).

In addition, some participating Shareholders who have acquired their Foster's shares before 6 November 2003 may also be denied the benefit of the tax offsets and franking credits, depending on their own particular circumstances.

Shareholders should seek advice as to the taxation consequences for them of participating in the Buy-Back.



ASX

AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited  
ABN 98 008 624 691  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

PO Box H224  
Australia Square  
NSW 1215

Telephone 61 2 9227 0334

Internet <http://www.asx.com.au>  
DX 10427 Stock Exchange Sydney

**FACSIMILE**

**Department: COMPANY ANNOUNCEMENTS OFFICE**

DATE: 06/11/2003

TIME: 08:05:14

TO: FOSTER'S GROUP LIMITED

FAX NO: 03-9645-7226

FROM: AUSTRALIAN STOCK EXCHANGE LIMITED - Company Announcements Office

SUBJECT: CONFIRMATION OF RECEIPT AND RELEASE OF ANNOUNCEMENT

**MESSAGE:**

We confirm the receipt and release to the market of an announcement regarding:

Off-Market Share Buy-Back

**PLEASE NOTE:**

In accordance with Guidance Note 14 of ASX Listing Rules –

- Use of ASX Online for lodgement of company announcements becomes mandatory from **1 July 2003**
- **Handwritten** and **hand-delivered** company announcements are no longer accepted
- Fee of A\$38.50 (including GST) applies from **1 March 2003** for announcements **faxed** to CAP
- New CAP fax number from **1 March 2003** for announcements sent within Australia is **1900 999 279**

# Appendix 3C

## Announcement of buy-back (*except* minimum holding buy-back)

*Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity

Foster's Group Limited

ABN

49 007 620 886

We (the entity) give ASX the following information.

### Information about buy-back

- |   |   |  |
|---|---|--|
| 1 | Type of buy-back  | Selective buy-back on equal access buy-back conditions (as modified) |
| 2 | +Class of shares which is the subject of the buy-back (eg, <i>ordinary/preference</i> )                             | Ordinary   |
| 3 | Voting rights (eg, <i>one for one</i> )   | One for one  |
| 4 | Fully paid/partly paid ( <i>and if partly paid, details of how much has been paid and how much is outstanding</i> ) | Fully paid   |
| 5 | Number of shares in the +class on issue   | 2,202,180,718  |
| 6 | Whether shareholder approval is required for buy-back   | No   |
| 7 | Reason for buy-back   | Capital management   |

<sup>+</sup> See chapter 19 for defined terms.  
30/9/2001

**Appendix 3C**  
**Announcement of buy-back**

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- |   |  |   |
|---|--|---|
| 8 | Any other information material to a shareholder's decision whether to accept the offer ( <i>eg, details of any proposed takeover bid</i> ) | See this morning's announcement (6 November 2003) |
|---|--|---|

**On-market buy-back**

- |    |   |   |
|----|---|---|
| 9  | Name of broker who will act on the company's behalf   | - |
| 10 | Deleted 30/9/2001.  |   |
| 11 | If the company intends to buy back a maximum number of shares - that number<br><br><small>Note: This requires a figure to be included, not a percentage.</small>            | - |
| 12 | If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention | - |
| 13 | If the company intends to buy back shares if conditions are met - those conditions  | - |

**Employee share scheme buy-back**

- |    |   |   |
|----|---|---|
| 14 | Number of shares proposed to be bought back | - |
| 15 | Price to be offered for shares              | - |

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<sup>+</sup> See chapter 19 for defined terms.

### Selective buy-back

- 16 Name of person or description of class of person whose shares are proposed to be bought back -
- 17 Number of shares proposed to be bought back -
- 18 Price to be offered for shares -

### Equal access scheme

- 19 Percentage of shares proposed to be bought back
- 20 Total number of shares proposed to be bought back if all offers are accepted
- 21 Price to be offered for shares
- 22 <sup>+</sup>Record date for participation in offer   
Cross reference: Appendix 7A, clause 9.

### Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

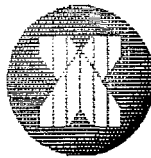
Sign here: R. K. Dudfield Date: 6 November 2003  
(Assistant Company Secretary)

Print name: Robert Dudfield

== == == == ==

<sup>+</sup> See chapter 19 for defined terms.





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